

**BOBBY JINDAL**  
GOVERNOR



**SCOTT A. ANGELLE**  
SECRETARY

**State of Louisiana**  
**DEPARTMENT OF NATURAL RESOURCES**  
**OFFICE OF MINERAL RESOURCES**  
**STATE MINERAL AND ENERGY BOARD**

TO: State Mineral Board Members

FROM: Rachel Newman, CPA *RN*  
Audit Director  
Mineral Income Division

DATE: May 12, 2010

**Audit Committee Meeting Agenda**

A meeting of the Audit Committee of the State Mineral and Energy Board will be held on Wednesday, May 12, 2010, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana.

Items on the agenda are as follows:

1. A penalty waiver request from Castex Energy, Inc. for a penalty in the amount of \$47,620.41, which was billed for late payment of royalty. Castex Energy, Inc. paid the state a total of \$212,223.87 in late royalty for the disposition dates of May 2007 through November 2009. The payment was received on January 27, 2010. Royalty was outstanding for less than three years. This payment was not related to a field audit. Castex Energy, Inc. was billed and paid \$21,321.16 in interest charges.
2. A penalty waiver request from LLOG Exploration Company, L.L.C. for a penalty in the amount of \$33,709.02, which was billed for late payment of royalty. LLOG Exploration Company, L.L.C. paid the state a total of \$249,767.46 in late royalty for the disposition dates of April 2007 through July 2008. The payments were received on September 25, 2008. Royalty was outstanding for less than two years. This payment was not related to a field audit. LLOG Exploration Company, L.L.C. was billed and paid \$15,644.25 in interest charges.
3. A penalty waiver request from McMoran Oil & Gas for a penalty in the amount of \$22,951.53, which was billed for late payment of royalty. McMoran Oil & Gas paid the state a total of \$95,333.75 in late royalty for the disposition dates of July 2007 through August 2009. The payments were received on January 26, 2010. Royalty was outstanding for less than three years. This payment was not related to a field audit. McMoran Oil & Gas was billed and paid \$9,400.32 in interest charges.

4. A penalty waiver request from Maritech Resources, Inc. for a penalty in the amount of \$121,504.88, which was billed for audit exceptions. The field audit of Maritech Resources, Inc. for the period of January 2006 through December 2006 began on March 31, 2008. Total royalty collected for the audit period is \$6,596,364.50. Maritech Resources, Inc. paid the state a total of \$577,430.80 in royalty exceptions and \$72,765.51 in interest charges.
5. Staff report to the committee that the election for May 2010 gas royalty is to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

The Committee may discuss matters it desires pursuant to R.S. 42:7(A)(1)(b)(ii) as well as Executive Session matters pursuant to R.S. 42:6.1(A)(2) and R.S. 42:6.1(A)(6).